

CABNET HOLDINGS BERHAD
Registration No: 201401045803 (1121987-D)
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	As at 30.09.2021 Unaudited RM'000	As at 31.12.2020 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		14,646	10,972
Right-of-use assets		5,509	4,376
Investment properties		2,357	2,378
Goodwill		6,035	99
Deferred tax assets		692	718
		<u>29,239</u>	<u>18,543</u>
Current Assets			
Inventories		2,262	1,926
Contract assets		17,916	17,630
Trade receivables		32,544	17,550
Other receivables, deposits and prepayments		1,742	1,638
Short-term investments		524	1,665
Current tax assets		-	8
Fixed deposits with licensed banks		3,257	2,341
Cash and bank balances		4,401	4,271
		<u>62,646</u>	<u>47,029</u>
TOTAL ASSETS		<u>91,885</u>	<u>65,572</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the company			
Share capital		27,679	27,679
Reserves		16,578	15,820
		<u>44,257</u>	<u>43,499</u>
Non-controlling Interests		-	60
Total Equity		<u>44,257</u>	<u>43,559</u>
Non-Current Liabilities			
Long-term borrowings	B7	5,966	5,633
		<u>5,966</u>	<u>5,633</u>
Current Liabilities			
Trade payables		14,921	9,554
Other payables and accruals		5,085	3,163
Contingent consideration		10,044	-
Short-term borrowings	B7	10,924	3,663
Current tax liabilities		688	-
		<u>41,662</u>	<u>16,380</u>
Total Liabilities		<u>47,628</u>	<u>22,013</u>
TOTAL EQUITY AND LIABILITIES		<u>91,885</u>	<u>65,572</u>
Net assets per share unit attributable to ordinary equity holders of the company (RM)		<u>0.2476</u> ⁽²⁾	<u>0.2434</u>

Notes:

(1) The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

(2) Based on the Company's issued share capital of 178,750,000 ordinary shares ("Cabnet Shares" or "Shares") as at 30 September 2021.

CABNET HOLDINGS BERHAD

Registration No: 201401045803 (1121987-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 ⁽¹⁾**

(The figures have not been audited)

	-- INDIVIDUAL QUARTER --		-- CUMULATIVE QUARTERS --	
	CURRENT YEAR QUARTER 30.09.2021 RM'000 (Unaudited)	PRECEDING YEAR QUARTER 30.09.2020 RM'000 (Unaudited)	CURRENT YEAR- TO-DATE 30.09.2021 RM'000 (Unaudited)	PRECEDING YEAR- TO-DATE 30.09.2020 RM'000 (Unaudited)
Revenue	15,841	11,827	47,799	32,150
Cost of sales	(13,025)	(9,604)	(41,340)	(27,068)
Gross profit	2,816	2,223	6,459	5,082
Other operating income	497	278	1,861	607
Selling and administrative expenses	(2,607)	(2,223)	(6,689)	(6,300)
Results from operating activities	706	278	1,631	(611)
Finance costs	(167)	(109)	(429)	(338)
Profit/(Loss) before tax	539	169	1,202	(949)
Taxation	(334)	(140)	(406)	(4)
Profit/(Loss) for the period/ Total comprehensive income/(expense) for the	205	29	796	(953)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	205	6	798	(954)
Non-controlling interests	-	23	(2)	1
	205	29	796	(953)
Earnings/(Loss) per share ("EPS/(LPS)":				
- Basic (sen) (2)	0.11	0.00	0.45	(0.53)
- Diluted (sen)	0.11	0.00	0.45	(0.53)

Notes:

(1) The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the FYE 31 December 2020 and accompanying explanatory notes attached to these interim financial statements.

(2) Based on the weighted average number of Cabnet Shares of 178,750,000 as at 30 September 2021 and 30 September 2020 respectively.

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**NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

The following amounts have been charged/ (credited) in arriving at profit/(loss) before tax:

	-- INDIVIDUAL QUARTER --		-- CUMULATIVE QUARTERS --	
	CURRENT YEAR QUARTER 30.09.2021 RM'000 (Unaudited)	PRECEDING YEAR QUARTER 30.09.2020 RM'000 (Unaudited)	CURRENT YEAR- TO-DATE 30.09.2021 RM'000 (Unaudited)	PRECEDING YEAR- TO-DATE 30.09.2020 RM'000 (Unaudited)
Depreciation of property, plant and equipment	173	156	477	481
Depreciation of right-of-use assets	174	137	486	367
Depreciation of investment properties	7	-	21	-
Loss/(Gain) on disposal of plant and equipment	(3)	102	(3)	92
Interest expenses	168	111	429	338
Plant and equipment written off	-	(3)	-	-
Provision/(Reversal) of impairment loss on trade receivables	96	171	(1,018)	170
(Reversal)/Provision of impairment loss on inventories	-	84	-	84
Interest income	(189)	(18)	(225)	(105)
Rental income	(19)	(13)	(54)	(36)

Save as disclosed above and in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, other disclosure items pursuant to Note 16 of Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable to Cabnet Holdings Berhad and its subsidiaries ("Group" or "the Group").

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
(The figures have not been audited)

	<u>Non-distributable</u>		<u>Distributable</u>	Total equity attributable to the Owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	Retained profits RM'000			
At 01.01.2021	27,679	1,050	14,770	43,499	60	43,559
Profit/(loss) for the period/ Total comprehensive income/(expense) for the period	-	-	798	798	(2)	796
Accretion in equity interests in a subsidiary	-	-	(40)	(40)	(58)	(98)
At 30.09.2021	27,679	1,050	15,528	44,257	-	44,257
At 01.01.2020	27,679	1,050	19,282	48,011	58	48,069
(Loss)/Profit for the period / Total comprehensive (expense)/income for the period	-	-	(954)	(954)	1	(953)
At 30.09.2020	27,679	1,050	18,328	47,057	59	47,116

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the FYE 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
(The figures have not been audited)

	9 months ended 30.09.2021 RM'000 (Unaudited)	9 months ended 30.09.2020 RM'000 (Unaudited)
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,202	(949)
Adjustments for :		
Depreciation of property, plant and equipment	477	481
Depreciation of right-of-use assets	486	367
Depreciation of investment properties	21	-
(Gain)/Loss on disposal of property, plant and equipment	(3)	92
(Reversal)/Provision of impairment loss on trade receivables	(1,018)	170
Provision of impairment loss on inventories	-	84
Interest income	(225)	(105)
Interest expense	429	338
Operating profit before working capital changes	1,369	478
Increase in inventories	(336)	(190)
Decrease in contract assets	109	3,563
Decrease/(Increase) in trade and other receivables	3,119	(1,813)
Decrease in trade and other payables	(4,517)	(7,653)
Cash flows for operations	(256)	(5,615)
Tax paid	(447)	(358)
Net cash for operating activities	(703)	(5,973)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	225	105
Withdrawal/(Placement) of fixed deposits pledged to banks	218	(523)
Withdrawal of fixed deposits with maturity above 3 months	-	700
Purchase of property, plant and equipment	(258)	(3,010)
Purchase of right-of-use assets	(20)	-
Acquisition of non-controlling interests	(98)	-
Acquisition of a subsidiary	(5,029)	-
Proceeds from disposal of property, plant and equipment	14	1,688
Net cash for investing activities	(4,948)	(1,040)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(429)	(338)
Net drawdown of short-term borrowings	4,982	1,361
Drawdown of term loan	500	-
Repayment of term loans	(222)	(172)
Repayment of lease liabilities	(444)	(214)
Net cash from financing activities	4,387	637
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,264)	(6,376)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,936	10,475
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4,672	4,099
CASH AND CASH EQUIVALENTS COMPRISE:		
Short-term investments	524	662
Fixed deposits with licensed banks	3,257	2,328
Cash and bank balances	4,401	3,437
	8,182	6,427
Less: Fixed deposits pledged to licensed banks	(3,257)	(2,328)
Bank overdrafts	(253)	-
	4,672	4,099

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the FYE 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

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NOTES TO THE INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT

A1 Basis of Preparation

This condensed consolidated interim financial statement (“Condensed Report”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting, Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended (“FYE”) 31 December 2020. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the FYE 31 December 2020.

A2 Significant Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the audited financial statements for the FYE 31 December 2020, except for the adoption of the following that are effective for financial statements effective from 1 January 2021, as disclosed below:

MFRS, Amendments to MFRS and Interpretation
<ul style="list-style-type: none">• Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosure, MFRS 4 Insurance Contracts and MFRS 16 Leases – Interest Rate Benchmark Reform Phase 2• Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework• Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use• Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts–Cost of Fulfilling a Contract• Annual Improvements to MFRS Standards 2018–2020• Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current• Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies• Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The adoption of the above pronouncements does not have any material financial impact to the Group.

A3 Auditors’ Report of preceding annual financial statements

The preceding year’s audited financial statements of the Group did not contain any qualification.

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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT

A4 Seasonal or Cyclical Factors Affecting Operations

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5 Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter and financial period under review.

A6 Material Changes in Estimates

There were no changes in estimates that have a material effect in the current financial quarter and financial period under review.

A7 Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchase, resale or repayment of debts and securities during the financial quarter and financial period under review.

A8 Dividends paid

No dividend has been paid during the current quarter under review.

A9 Segmental Reporting

(i) Operating Segments

Information about operating segments has not been reported separately as the Group operated predominantly in the provision of electrical and mechanical engineering services which comprise medium, low and extra low voltage electrical systems, structured cabling, as well as information technology services as a complimentary offering to building management solutions.

(ii) Geographical Segment

No segmental information is provided on a geographical basis as the Group's activities are conducted primarily in Malaysia.

A10 Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of the current financial period up to the date of this report that have not been reflected in this interim financial report.

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NOTES TO THE INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT

A11 Changes in the Composition of the Group

As for the announcement made on 10 September 2021, the Company has completed the acquisition of CEE M&E Engineering Sdn Bhd (“CEE”), as a wholly-owned subsidiary, for the total purchase consideration of RM16,290,000, to be fully satisfied in cash.

The fair value of the assets acquired and liabilities assumed from the acquisition of a new subsidiary are as follows:

	As at 10 September 2021 RM’000
Property, plant and equipment	3,904
Right-of-use assets	1,599
Deferred tax assets	48
Contract assets	395
Trade and other receivables, deposits and prepayments	17,199
Fixed deposits with licensed banks	1,134
Cash and bank balances	971
Trade and other payables and accruals	(11,806)
Finance lease liabilities	(693)
Short-term borrowings	(1,832)
Current tax liabilities	(811)
Total net identifiable assets	10,108
Less: Purchase Consideration	(16,044)
Goodwill	5,936

The effect on cash flow after the acquisition of a new subsidiary is as follows:

	RM’000
Cash Consideration	16,044
Less: Cash and cash equivalents acquired	(971)
Less: Contingent consideration	(10,044)
Net cash outflow on acquisition of a subsidiary	5,029

Save for the above, there were no other changes in the composition of the Group in current financial quarter and financial period under review.

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NOTES TO THE INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

A12 Contingent Liabilities and Contingent Assets

As at 30 September 2021, save as disclosed below, the Group has no pending material contingent liabilities that, upon becoming enforceable, may have a material impact on our financial performance and or position.

	As at 30 September 2021
	RM'000
Guarantees given to third parties in relation to contracts and trade performance	5,465

The guarantees are tender bonds (on submission of tender) and performance bond (upon award of contracts). To date, our Group has not experienced any enforcement of guarantees arising from non-performance of projects.

The Group has no contingent assets as at 30 September 2021.

A13 Capital Commitment

Capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2021 was as follow:

	As at 30 September 2021
	RM'000
Purchase of property, plant and equipment	557

A14 Significant related party transactions

There were no significant related party transactions in the current financial period under review.

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NOTES TO THE INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of Performance

Comparison of the current year quarter to preceding year corresponding quarter

	<u>Individual Quarter</u>		% change +/(-)
	Current year quarter ended 30 September 2021	Preceding year quarter ended 30 September 2020	
<u>Revenue</u>	RM'000	RM'000	
Construction contracts	10,593	5,025	+110.81%
Sales of goods and services	5,248	6,802	-22.85%
Total	15,841	11,827	+33.94%

The Group revenue increased by 33.94% as compared to the preceding year corresponding quarter was mainly due to higher contracts revenue in current financial quarter. However, revenue from sales of goods and services was dropped by approximately RM1.55 million due to disruption of material supply chain affected by global chip shortage.

The Group recorded gross profit of RM2.82 million which is higher by approximately RM0.59 million compared to the preceding year corresponding quarter was principally due to increase of revenue in current financial quarter.

In view of higher gross profit reported in current financial quarter, the Group recorded higher profit before tax of RM0.54 million as compared to RM0.17 million in the preceding year corresponding quarter despite of higher selling and administrative expenses for the current quarter by RM0.38 million which was mainly due to non-recurring expenses in relation to corporate exercises of acquisition of subsidiary (as disclosed in section A11 of this announcement).

Comparison of current year to-date to preceding year

	<u>Cumulative Quarter</u>		% change +/(-)
	Current year quarter ended 30 September 2021	Preceding year quarter ended 30 September 2020	
<u>Revenue</u>	RM'000	RM'000	
Construction contracts	32,659	14,064	+132.22%
Sales of goods and services	15,140	18,086	-16.29%
Total	47,799	32,150	+48.67%

The Group current year cumulative revenue increase by 48.67% as compared to the preceding year was mainly due to higher contracts revenue in current financial period. Notwithstanding of higher contracts revenue, revenue from sales of goods and services were continue affected by the global chip shortage crisis, as such, declined by 16.29% as compared to the preceding year.

The Group current year cumulative gross profit is higher compared to preceding year by approximately RM1.38 million mainly due to increase in revenue. Nonetheless, gross profit margin is lower because of majority of contract revenue come from a project with lower profit margins. Additionally, the Group reported other operating income of RM1.86 million in current financial period mainly because of reversal of impairment loss on trade receivables of a long overdue debt which provided in preceding financial year.

In view of higher gross profit and other income reported in current financial period, the Group recorded profit before tax of approximately RM1.20 million as compared to the preceding year of loss before tax of approximately RM0.95 million.

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NOTES TO THE INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B2 Material Changes in Profit before Taxation for the Current Quarter with Immediate Preceding Quarter

	Current Quarter Ended 30 September 2021 RM'000	Preceding Quarter Ended 30 June 2021 RM'000
Revenue	<u>15,841</u>	<u>17,906</u>
Profit before tax	<u>539</u>	<u>566</u>

For the current quarter ended 30 September 2021, the Group revenue decrease by approximately RM2.07 million as compared to the preceding quarter ended 30 June 2021 mainly because of the project sites progress were slow down due to implementation of MCO3.0. Notwithstanding of lower revenue, the Group recorded higher gross profit mainly due to cost saving from projects which near to completion.

The Group reported a profit before tax of approximately RM0.54 million for the current quarter as compared to profit before tax of RM0.57 million in preceding quarter mainly due to higher of selling and administrative expenses as well as finance cost in current financial quarter.

B3 Prospects Commentary for the financial year ending 31 December 2021

The Board anticipates a challenging operating environment for the financial year 2021 in view of the significant economic uncertainty resulted by the unprecedented global pandemic of Coronavirus Pandemic (“Covid-19”).

Amidst this challenging and current operating environment, the Board remains positive of the Group performance for the FYE 31 December 2021 in view that our order book as of current quarter ended 30 September 2021 is approximately RM77 million and the Group had on 25 October 2021 secured a new electrical work contract at contract sum of approximately RM22.26 million.

Notwithstanding of the recent completion of acquisition of CEE M&E Engineering Sdn Bhd, the Group will continue its effort to explore new market segment and opportunities. In addition, the Board reassure that all necessary precautions and pragmatic approach shall continue in placed in its strategic and operational planning to strengthen its existing business and improved operational efficiency.

B4 Variance of Actual Profit from Forecast Profit & Shortfall on Profit Guarantee

There is no profit forecast prepared for public release and no profit guarantee provided by the Group for the current financial period.

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NOTES TO THE INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B5 Taxation

	Quarter ended 30.09.2021	Year-to-date 30.09.2021
	RM'000	RM'000
Income tax:		
- current period	(284)	(331)
- under-provision in prior year	(1)	(1)
	(285)	(332)
Deferred tax expense	(49)	(74)
Tax expense	(334)	(406)

The Group's effective tax rate for the current quarter and current financial period under review is higher than the statutory tax rate of 24% mainly due to certain expenses not deductible for income tax purpose.

B6 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 18 November 2021 being a date not earlier than 7 days from the date of issue of this quarterly report.

B7 Group Borrowings and Debt Securities

As at 30 September 2021, our Group's total outstanding borrowings, all of which are interest-bearing, were as follows:

	RM'000
(a) Short-term debt	
<u>Secured and guaranteed</u>	
Bankers' acceptance	9,497
Bank overdrafts	253
Finance lease liabilities	672
Term loans	333
Promissory note	169
Total short-term debt	10,924
(b) Long-term debt	
<u>Secured and guaranteed</u>	
Finance lease liabilities	1,696
Term loans	4,270
Total long-term debt	5,966
Total loans and borrowings	16,890

All the above borrowings are denominated in Ringgit Malaysia.

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PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B8 Changes in Material Litigation

There is no other pending material litigation as at 18 November 2021 being a date not earlier than 7 days from the date of this quarterly report except for the following: -

(i) Shah Alam High Court (Construction Court) – Suit No. BA-24C-5-01/2019

Between Cabnet Systems (M) Sdn Bhd (“Plaintiff”), Dekad Kaliber Sdn Bhd (“1st Defendant”) and Rimarisan Sdn Bhd (“2nd Defendant”).

By way of Originating Summons, on 17 January 2019, the Plaintiff had initiated an action under Section 30 of the Construction Industry Payment and Adjudication Act 2012 (CIPAA 2012) against the abovementioned Defendants to obtain full payment of the adjudication sum of RM1,155,874.10.

Prior to this action, the Plaintiff had pursued adjudication proceedings against Synergycentric Sdn Bhd (“Synergycentric”) and obtained Adjudication Decision on 1 November 2018 which was in favour of the Plaintiff. However, Synergycentric has gone into liquidation and has not made any settlement to the adjudication sum. As such, the Plaintiff pursues an action against the principals of Synergycentric, i.e. 1st and 2nd Defendants under Section 30 of the CIPAA 2012.

The case managements were held on 5 March 2019, 29 March 2019, 4 April 2019, 17 April 2019, 2 May 2019, 23 May 2019, 31 May 2019, 20 June 2019, 20 August 2019, 20 January 2020, 17 February 2020, 26 February 2020, 2 March 2020, 31 March 2020 as well as 11 June 2020 and the hearings were held on 31 May 2019, 19 June 2019, 7 October 2019, 18 December 2019, 8 April 2020, 8 January 2021 and 16 February 2021.

- (1) Following the hearing held on 8 January 2021, the Judge was only able to hear Plaintiff application to adduce fresh and further evidence due to time constraints, hence of the hearing of the 2nd defendant main appeals has adjourned to 16 February 2021.
- (2) Further to the hearing held on 16 February 2021 for the Plaintiff and 2nd Defendant appeals, the Court’s decision for the said appeals will be delivered on 17 March 2021.
- (3) On 17 March 2021, the Court of Appeal has dismissed 2nd Defendant appeals on the view that the letter of undertaking creates a contractual obligation on 2nd Defendant to make payments to the Plaintiff. As for the Plaintiff’s appeal on the adjudication cost, the Court of Appeal has dismissed the appeal on the view that Section 30 of CIPAA does not allow for a claim for adjudication cost.
- (4) The matter in respect of Construction Court Suit have concluded as the Judgment dated 18 December 2019 was upheld by the Court of Appeal on 17 March 2021. The adjudication sum with the cost and interest therein has been paid by 2nd Defendant on 29 June 2021.

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PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B8 Changes in Material Litigation (Cont'd)

(ii) Shah Alam High Court (Civil Division) – Suit No. BA-22NCvC-28-01/2019

Between Cabnet Systems (M) Sdn Bhd (“Plaintiff”), Dekad Kaliber Sdn Bhd (“1st Defendant”) and Rimarisan Sdn Bhd (“2nd Defendant”).

By way of a civil suit, on 17 January 2019, the Plaintiff had filed an action for breach of contract pursuant to the Sale and Purchase Agreement dated 18 July 2017 (“SPA”) between the Plaintiff and Synergycentric Sdn Bhd (“Synergycentric”) for a sum amounting to RM1,156,048.18.

This action is premised on Annexure 2 of the SPA. In Annexure 2 of the SPA, 1st Defendant has acknowledged and undertaken to pay directly to the Plaintiff upon Synergycentric’s failure under the SPA. To date, 1st Defendant has not made such payments.

The case management were held on 18 February 2019, 4 April 2019, 17 April 2019 and 8 January 2020, 24 February 2020, 31 March 2020, 15 May 2020, 1 September 2020, 12 October 2020, 21 October 2020, 12 November 2020, 4 January 2021 and 14 June 2021, the hearings were held on 21 May 2019, 29 July 2019 and 14 July 2020 as well as the trial was held on 16 August 2019.

- (1) Case management adjourned previously was held on 4 January 2021, the Court has fixed trial dates on 9 June 2021 to 11 June 2021 and 14 June 2021 to 16 June 2021. Parties need to file Witness Statements before 31 May 2021.
- (2) In light of the MCO 3.0 imposed starting from 1 June 2021, the Court has on 31 May 2021 informed that the trial originally fixed on 14 June 2021 to 16 June 2021 will be adjourned and converted into virtual case management. The new trial dates to be decided and informed by the Court later.
- (3) Following the virtual case management held on 14 June 2021, the Court has fixed the new trial dates from 21 February 2022 to 23 February 2022. All parties need to file witness statements 1 month before trial date.

B9 Dividend

No dividend has been declared, recommended or paid during the quarter under review.

B10 Earnings per Share

The basic and diluted earnings per share are calculated as follows:

	Quarter ended 30.09.2021	Year-to-date 30.09.2021
Profit for the period attributable to ordinary holders of the Company (RM'000)	205	798
Weighted average number of ordinary shares in issue ('000)	178,750	178,750
Earnings per share (Basic & Diluted) (sen)	0.11	0.45

CABNET HOLDINGS BERHAD
Registration No: 201401045803 (1121987-D)
(Incorporated in Malaysia)

NOTES TO THE INTERIM REPORT FOR THE 9-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B11 Derivative

The Group did not enter into any derivative during the current quarter under review.

B12 Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit and loss for the current quarter under review.

B 13 Authorised for issue

This interim financial statement was authorised by the Board of Directors in accordance with the resolution of the Directors on 25 November 2021.

By Order of the Board,

Lee Wee Hee (MAICSA 0773340)
SSM Practicing Certificate No. 201908004010
Company Secretary
Johor Bahru
Date: 25 November 2021
c.c. Securities Commission